

**MINUTES OF A MEETING
KENTUCKY WORKERS' COMPENSATION FUNDING COMMISSION
BOARD OF DIRECTORS
January 23, 2019**

Opening of Meeting:

1. A regular meeting of the Board of Directors, Kentucky Workers' Compensation Funding Commission was held on January 23, 2019, in the Commission's conference room, located at 42 Mill Creek Park, Frankfort, Kentucky. Madam Chair Judy Long called the meeting to order.
2. Ms. Angela Calloway announced the meeting would be recorded in accordance with Kentucky Revised Statute 61.835.
3. Madam Chair Long verified the press notice and asked for a roll call.

Directors Present:

4. Judy Long, Self-Insured Employers Representative
Timothy Densler, Labor Representative
David Dickerson, Acting Secretary, Labor Cabinet
Ryan Barrow, Designee for Secretary William Landrum, Finance & Administration Cabinet
Stephanie Rich, Designee for Secretary Terry Gill, Cabinet for Economic Development

Others Present:

5. Reuben Jones, Executive Director, KWCFC
Louie Hord, Director of Fiscal Operations, KWCFC
Lisa King, Director of Audit and Collections, KWCFC
Olivia Orrender, Audit Review Manager, KWCFC
Angela Calloway, Fiscal Services Officer, KWCFC
Ryan Robinson, Administrative Services Officer, KWCFC
Michael Swansburg, Deputy Secretary/General Counsel, Labor Cabinet
Tressa Root, Executive Advisor, Labor Cabinet
Charlie Donovan, Special Fund, Department of Workers' Claims
Robert Swisher, Commissioner, Department of Workers' Claims
Robert Milligan, Deputy Commissioner, Department of Workers' Claims
David Rogan, Conning Inc.
Jon Stewart, KEMI
Prentice Harvey, Government Strategies
Ed O'Daniel, Attorney

Approval of Minutes:

6. Mr. Ryan Barrow made a motion to approve the November 28, 2018 Regular Meeting Minutes. Mr. Tim Densler seconded the motion. Motion carried.

Executive Director Update:

7. Mr. Reuben Jones updated the Board on the regulation progress, investment format and 2019 priorities.
8. Mr. Jones stated on December 11, 2018, the Commission appeared before the Regulation Subcommittee. With no questions, regulation amendments were then referred to the Economic Development and Workforce Interim Joint Committee who did not meet. Regulation changes will be effective February 1, 2019.
9. Mr. Jones stated the Investment Policy Statement has been published and Conning will be reporting to the Board periodically on market trends and forecast for investments to allow a more focused analysis.
10. Mr. Jones updated the board on the 2019 staff priorities, highlighting audit assignments, the audit software program, the streamlining of financial audit, actuarial data collection efforts, and staff training opportunities.

Financial Report: Louie Hord (report on file for referral)

11. Mr. Louie Hord reviewed the year to date budget versus actual expenses for KWCFC, the year to date internal financial statements, and fiscal year to date interagency transfers made by KWCFC for the period ending December 31, 2018.
12. Ms. Stephanie Rich made the motion to accept the financial reports as presented to the Board. Mr. Timothy Densler seconded the motion. Motion carried.

Investment Report: David Rogan, Conning, Inc. (report on file for referral)

13. Mr. David Rogan presented an update on the quarterly portfolio review, economic and capital market outlook and portfolio reports through December 31, 2018.
14. Acting Secretary David Dickerson made the motion to accept the Investment Report as presented by Conning. Ms. Stephanie Rich seconded the motion. Motion carried.

Audit & Collections Report: Lisa King (report on file for referral)

15. Ms. Lisa King presented an update on the number of audits ongoing and completed.

16. Ms. King reported on Audits in Protest, Final Audit Findings and Self-Insured Audit Assignment Findings.

17. Mr. Ryan Barrow made the motion to accept the Audit and Collections Report as presented. Acting Secretary David Dickerson seconded the motion. Motion carried.

Executive Session:

18. Madam Chair Long asked for a motion to go into Executive Session under KRS 61.810 (1) (c), (f) and (j) to discuss litigation, personnel, and penalty waivers.

19. Mr. Ryan Barrow made the motion to go into Executive Session. Mr. Timothy Densler seconded the motion. Motion carried.

Open Session:

20. Acting Secretary David Dickerson made the motion to return to open session. Mr. Timothy Densler seconded the motion. Motion carried.

Other Business:

Litigation:

21. Madam Chair Long stated that the Board was aware of the decision from Franklin Circuit Court and the Board is considering additional information and whether or not they wish to move forward with an appeal.

Coal Workers' Pneumoconiosis Fund Liability Update: Jon Stewart, KEMI

22. Mr. Jon Stewart provided an update on the Coal Workers' Pneumoconiosis Liability.

23. Madam Chair Long commended Mr. Stewart, KEMI and Judge Swisher on the work they have done. Judge Swisher further commended Judge Roland Case on the job he has done settling cases in a timely manner.

24. Ms. Stephanie Rich made a motion to accept the Coal Workers' Pneumoconiosis Fund Liability Report. Mr. Timothy Densler seconded the motion. Motion carried.

New Business:

35. No new business.

Adjournment:

36. Ms. Stephanie Rich made a motion to adjourn. Mr. Timothy Densler seconded the motion. Motion carried.


Chairman of the Board